

New North SANC Services Inc.
Contents

For the year ended March 31, 2010

Management's Responsibility

Auditors' Report

Statement of Financial Position.....	1
Statement of Operations.....	2
Statement of Changes in Fund Balances.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements.....	5
Schedule 1 - Board and Executive Remuneration.....	9

To the Members of New North SANC Services Inc.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

April 7, 2010



Joanne Griffith, Chief Executive Officer

To the Members of New North SANC Services Inc.:

We have audited the statement of financial position of New North SANC Services Inc. as at March 31, 2010 and the statements of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Prince Albert, Saskatchewan

April 7, 2010

Megus Norris Penny LLP


Chartered Accountants

New North SANC Services Inc.
Statement of Financial Position
As at March 31, 2010

	Operating Fund	Capital Fund	2010	2009
Assets				
Current				
Cash	365,026	-	365,026	406,619
Accounts receivable	12,294	-	12,294	26,726
Prepaid expenses	1,935	-	1,935	4,589
	379,255	-	379,255	437,934
Capital assets (Note 5)	-	9,647	9,647	12,713
	379,255	9,647	388,902	450,647
Liabilities				
Current				
Accounts payable and accruals	14,067	-	14,067	23,699
Deferred contributions (Note 6)	33,849	-	33,849	89,597
	47,916	-	47,916	113,296
Fund Balances				
Invested in capital assets	-	9,647	9,647	12,713
Unrestricted	331,339	-	331,339	324,638
	331,339	9,647	340,986	337,351
	379,255	9,647	388,902	450,647

Approved on behalf of the Board


 Bobby Woods, Chair


 Bruce Fidler, Vice-Chair

New North SANC Services Inc.
Statement of Operations
For the year ended March 31, 2010

	Operating Fund	Capital Fund	2010 Budget	2010	2009
Revenue					
Provincial core funding (Note 4)	320,000	-	320,000	320,000	320,000
Program funding	99,749	-	96,463	99,749	263,343
Registrations and sponsorships	-	-	-	-	41,525
Other revenues	7,377	-	13,400	7,377	37,092
Total revenue	427,126	-	429,863	427,126	661,960
Expenses					
AGM expense	6,287	-	3,000	6,287	80
Advertising and promotion	3,124	-	6,000	3,124	4,966
Amortization	-	3,066	-	3,066	3,715
Bank charges	487	-	1,000	487	488
Communications	5,646	-	7,000	5,646	5,627
Community reference panel	484	-	-	484	25,650
Consulting	3,357	-	-	3,357	2,472
Insurance and licenses	3,965	-	4,800	3,965	4,733
Member per diem	26,840	-	33,200	26,840	31,347
Member travel	33,141	-	42,250	33,141	37,944
Northern Youth Leadership	90,041	-	89,963	90,041	112,755
Northern Youth Strategic Action	-	-	-	-	45,129
Northern infrastructure gap analysis	43,877	-	40,000	43,877	-
Office	21,316	-	22,150	21,316	17,664
Professional fees	14,497	-	15,000	14,497	8,801
Salaries and benefits	140,656	-	138,000	140,656	166,491
Symposium	-	-	-	-	56,535
Training and education	665	-	1,000	665	293
Travel	9,683	-	10,000	9,683	9,773
Vehicle lease	9,996	-	10,000	9,996	8,647
Waterworks workshops	6,363	-	6,500	6,363	2,418
Workshops and committees	-	-	-	-	69,858
Total expenses	420,425	3,066	429,863	423,491	615,386
Excess (deficiency) of revenues over expenses	6,701	(3,066)	-	3,635	46,574

The accompanying notes are an integral part of these financial statements

New North SANC Services Inc.
Statement of Changes in Fund Balances
For the year ended March 31, 2010

	<i>Operating Fund</i>	<i>Capital Fund</i>	<i>2010</i>	<i>2009</i>
Fund balances, beginning of year	324,638	12,713	337,351	290,777
Excess (deficiency) of revenues over expenses	6,701	(3,066)	3,635	46,574
Fund balances, end of year	331,339	9,647	340,986	337,351

The accompanying notes are an integral part of these financial statements

New North SANC Services Inc.
Statement of Cash Flows
For the year ended March 31, 2010

	2010	2009
Cash provided by (used for) the following activities		
Operating activities	3,635	46,574
Excess of revenues over expenses	3,066	3,715
Amortization		
	6,701	50,289
Changes in working capital accounts	14,432	60,657
Accounts receivable	2,654	(2,306)
Prepaid expenses	(9,632)	10,626
Accounts payable and accruals	(55,748)	12,740
Deferred contributions		
	(41,593)	132,006
Investing activities	---	(1,858)
Purchase of capital assets		
	(41,593)	130,148
Increase (decrease) in cash resources	406,619	276,471
Cash resources, beginning of year		
	365,026	406,619
Cash resources, end of year		
Supplementary cash flow information	487	488
Cash paid for interest		

1. Purpose of reporting entity

New North SANC Services Inc. is incorporated under the Non-Profit Corporations Act of Saskatchewan, 1995 and as such is exempt from income taxes. New North SANC Services Inc. is a regional organization operating programs to promote the interests of northern communities in Saskatchewan.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Fund accounting

The accounts of the Board are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

Operating Fund

The operating fund reflects the primary operations of the organization including revenues received for program funding, core funding, municipal contributions and other revenues. Expenses are for the delivery of services.

Capital Fund

The capital fund is a restricted fund that reflects the equity of the organization in capital assets after taking into consideration any associated long-term debt. The capital fund includes revenues received specifically for capital assets. Expenses consist primarily of amortization of capital assets.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the operating fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Capital assets

Capital assets are recorded at cost. The cost for contributed capital assets is considered to be fair value at the date of contribution.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<i>Method</i>	<i>Rate</i>
Computer	declining balance	30 %
Equipment	declining balance	20 %
Office furniture	declining balance	20 %

Financial instruments

Held for trading:

The Organization has classified the following financial assets and liabilities as held for trading: cash.

These instruments are initially recognized at their fair value. Transactions to purchase or sell these items are recorded on the trade date.

Held for trading financial instruments are subsequently measured at their fair value. Gains and losses arising from changes in fair value are recognized immediately in the statement of revenues and expenses.

Loans and receivables:

The Organization has classified the following financial assets as loans and receivables: accounts receivable. These assets are initially recognized at their fair value. Transactions to purchase or sell these items are recorded on the trade date.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in excess of revenues over expenses upon derecognition or impairment.

Other financial liabilities:

The Organization has classified the following financial liabilities as other financial liabilities: accounts payable and accruals. These liabilities are initially recognized at their fair value. Transactions to purchase or sell these items are recorded on the trade date.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses arising from changes in fair value are recognized in excess of revenues over expenses upon derecognition or impairment.

Contributed materials and services

The Organization, member communities, government run organizations, and other Organization run programs contribute items such as office equipment, printing materials and cover travel expenses to assist the Organization in carrying out its obligations associated with the Northern Youth Leadership Development program. Because of the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

3. Budget

The current year Board approved operating budget was based on planned expenses related to the current year funding estimates. Budgeted revenues and expenses related to programs are based on program agreements and are budgeted on a break-even basis whereby budgeted revenues are equivalent to budgeted expenditures.

New North SANC Services Inc.
Notes to the Financial Statements
For the year ended March 31, 2010

4. Core funding

The Province of Saskatchewan entered into an agreement with New North SANC Services Inc. on June 11, 1997 to provide core funding. This agreement was extended by way of Minister's Order to include funding for the current fiscal year.

	2010	2009
Provincial funding	320,000	320,000

5. Capital assets

	Cost	Accumulated amortization	2010 Net book value	2009 Net book value
Computer	26,966	23,301	3,665	5,235
Equipment	44,600	39,076	5,524	6,905
Office furniture	2,714	2,256	458	573
	74,280	64,633	9,647	12,713

6. Deferred contributions

Contributions are received from contributors who have restricted their use for research and operating purposes. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Deferred contributions at March 31, 2010 relate to the following projects:

	2010	2009
Justice Symposium	28,206	28,206
Northern Municipal Training	3,541	3,541
Northern Youth Strategic Action Plan	---	54,386
Water Works	2,102	3,464
	33,849	89,597

7. Inter-departmental revenues and expenses

In the current year ended, general operations included in revenue, program administration fees totaling \$nil (2009 - \$33,626). These amounts have been expensed in the related programs.

8. Pension plan contributions

The Organization has a Canadian defined contribution plan under which both the Organization and employees contribute 5% of an employee's gross salary. Organization contributions and corresponding expense totaled \$6,000 (\$6,383 in 2009).

9. Commitment

Phase II of the Northern Infrastructure Gap Analysis program has been approved to proceed in the 2011 fiscal year. The Organization has approved to spend \$161,140 in the upcoming fiscal year.

10. Member communities

Thirty-five communities have confirmed their membership at March 31, 2010.

11. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation